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Hearing Officer Carol Pieper
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

RE: DTE 06-26, Verizon New England/residential late charges

Dear Ms. Pieper:

On February 3, 2006, Verizon New England, Inc. ("Verizon") filed with the Department a proposed tariff change to impose a late payment charge of 1.5% on residential customers who do not promptly pay their bills. Verizon currently does not impose any late charge on its residential customers. The Department suspended the tariff until June 5, 2006 and allowed parties to file comments by March 29, 2006. The National Consumer Law Center ("NCLC"), Action for Boston Community Development ("ABCD"), the Attorney General ("AG") and other parties filed timely comments. Verizon filed reply comments on April 5.

On or about April 26, 2006, Verizon filed with the Department a revised late charge proposal which would exempt Lifeline customers from paying the charge. On or about May 2, you, in your capacity as the Hearing Officer, circulated the revised tariff to NCLC, ABCD and the AG. On its face, the tariff will go into effect May 26 barring any further action by the Department.

NCLC wishes to be on the record as still objecting to Verizon's late charge tariff and urges the Department to carefully consider the objections NCLC made in its March 29 comments, most of which are not obviated by Verizon's April 26 revision to its proposal. NCLC still maintains that Verizon's proposal will disproportionately affect low-income households that already struggle to pay their bills. As NCLC also noted in its comments, Verizon's proposal is contrary to recent trends in state policy regarding ways to help low-income customers maintain their electric, gas and telephone service, and contrary to prior Department precedent. In addition, the proposed late charge (1.5%) vastly overstates the cost to Verizon of delayed collection of billed revenues.

While a late charge tariff that exempts low-income customers is better than one that does, it is important to note that only a minority of those households who are income-eligible are actually on the discount rate. Thus, Verizon's revised tariff does not exempt all low-income

customers, but only the relatively small percentage who are on the Lifeline rate.

For the reasons stated above as well as in its initial comments, NCLC urges the Department to reject Verizon's revised tariff filing.

Respectfully,

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